

Message Text

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11

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

SAL-01 SS-14 STR-08 OMB-01 CEA-02 L-03 H-02 PA-03

PRS-01 USIA-12 CIAE-00 COME-00 FRB-02 INR-09 NSAE-00

TRSE-00 XMB-07 OPIC-12 LAB-06 SIL-01 T-03 RSR-01 EA-11

ABF-01 AGR-20 /190 W
----- 108630

R 210815 Z MAR 73
FM AMEMBASSY BERN
TO SECSTATE WASHDC 7437
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY THE HAGUE
AMEMBASSY VIENNA
USMISSION OECD PARIS
USMISSION EC BRUSSELS
AMCONSUL ZURICH UNN

C O N F I D E N T I A L BERN 1136

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: GDS
TAGS: EFIN, SZ
SUBJ: SWISS NONPARTICIPATION IN EC FLOAT

REF: BERN 1070

1. IN TELEVISION INTERVIEW MARCH 19, FEDERAL COUNCILOR
FOR FINANCE AND CUSTOMS CELIO SAID THAT SWISS- EC AGREE-
MENT FWHICH ENTERED INTO FORCE JANUARY 1, 1973 IS SIMPLE
TRADE AGREEMENT AND DOES NOT PROVIDE BASIS FOR PARTICI-
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PATION IN EC FLOAT. IN CIRCUMSTANCES SWITZERLAND COULD NOT JOIN EC SCHEME. SIMILAR POINT MADE BY ALFRED SCHAEFER, PRESIDENT OF UNION BANK OF SWITZERLAND, IN TELEVISION ROUNDTABLE ON MARCH 18.

2. SWISS NATIONAL BANK AND SWISS FINANCE ADMINISTRATION OFFICIALS EXPRESS SURPRISE AT CELIO' S STATEMENT. THEY SAY THAT SWISS NATIONAL BANK LAW AND ARRANGEMENTS ON COOPERATION BETWEEN CENTRAL BANKS, REINFORCED BY EMERGENCY MONETARY DECREE OF OCTOBER 1971, PROVIDE ADEQUATE BASIS FOR PARTICIPATION IN EC FLOAT IF THIS WERE CONSIDERED DESIRABLE . NATIONAL BANK OFFICIAL STATES THAT ONLY LEGAL RESTRICTION THAT HE COULD FORESEE IS REQUIREMENT THAT NATIONAL BANK PURCHASE ONLY CURRENCIES THAT ARE CONVERTIBLE INTO GOLD; HOWEVER, HE NOTES THAT THIS RESTRICTION HAS BEEN VIOLATED BY BANK' S DOLLAR PURCHASES SINCE AUG. 15, 1971.

3. COMMENT: SWISS HAVE BEEN UNDER PRESSURE TO PARTICIPATE IN EC FLOAT, AND EMBASSY BELIEVES THAT CELIO' S STATEMENT IS INTENDED TO JUSTIFY NONPARTICIPATION TO PARTICIPATING EC MEMBERS, AUSTRIA AND SWEDEN. MOREOVER, EMBASSY GATHERS THAT SWISS COMMERCIAL BANKERS ARE CONCERNED THAT SWITZERLAND MIGHT PARTICIPATE IN EC FLOAT, THEREBY DIMINISHING VAUNTED INDEPENDENCE OF SWISS FRANC, AND CELIO' S COMMENTS MAY HAVE BEEN INTENDED TO PROVIDE REASSURANCE TO THEM.
DAVIS

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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BRUSSELS
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Type: TE
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